

OSU INSTITUTE OF TECHNOLOGY
POLICY & PROCEDURES

Overtime and Timekeeping	3-005 FISCAL SERVICES March 2013
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POLICY AND PROCEDURES

- 1.01 An integral part of the employment program of OSU Institute of Technology (OSUIT) is a uniform policy related to the earning and compensation for overtime pay.
- 1.02 This section deals with policies and procedures developed to comply with the Fair Labor Standards Act work regulations for exempt and nonexempt employees.
- 1.03 The policy of OSUIT is to comply with the overtime provisions of the Fair Labor Standards Act (FLSA) and corresponding statutes of the State of Oklahoma. This includes, but is not limited to, the earning of and payment for overtime, establishment of the official work week, and recording of time worked.
- 1.04 The following policies and procedures may also address overtime and timekeeping requirements:
- Policy 3-002 Attendance and Leave
 - Policy 3-003 University Holidays
 - Policy 3-034 Employee Training and Educational Assistance

DEFINITIONS

- 2.01 EXEMPT -- The position meets the FLSA tests for exemption from the overtime provisions of the Act, and compensation for overtime is not required.
- 2.02 NON-EXEMPT -- The position does not meet the FLSA tests for exemption from the overtime provisions of the Act, and the employee must be compensated for overtime.

NOTE: Appointment or work in two or more positions with both exempt and nonexempt status is strongly discouraged as mixed appointments may result in disqualification of the exempt status. The Office of Human Resources must be consulted before mixed appointments are offered.

- 2.03 OVERTIME -- Hours worked in excess of 40 in a work week. Compensation for overtime hours is 1.5 times the employee's regular pay rate. Only hours worked will be used in the calculation of overtime pay; (holidays, administrative leave, vacation time, sick time, inclement weather time) will not be used in the calculation of overtime).

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- 2.04 COMPENSATORY TIME – Time accrued in lieu of overtime payment at 1.5 hours for every hour worked in excess of 40 hours worked in a single work week.
- 2.05 WORK WEEK -- A regular, recurring period of 168 consecutive hours. (See Section 3.06 of this policy for OSUIT's official work week.)
- 2.06 PAY PERIOD -- The period of time covered in one pay cycle. For nonexempt employees on the biweekly payroll, a pay period is two weeks. For exempt employees on the monthly payroll, a pay period is one month.

UNIVERSITY POLICY

- 3.01 OSUIT's Human Resources Office shall post, where appropriate, information about the Fair Labor Standards Act and make available a copy of this policy to inform covered employees.
- 3.02 The employment and work program of each unit of the university should be managed so that the necessity for overtime work is reduced to a minimum, except for emergency situations.
- 3.03 Nonexempt employees are expected to work a reasonable period of overtime when conditions warrant. Notice to employees scheduled to work overtime will be given by the supervisor as early as possible.
- 3.04 Provisions of the Fair Labor Standards Act place a liability upon the employer for the payment of overtime for all hours that an employee not specifically exempt from overtime payment, is either requested or permitted to work in excess of the statutory limitation. Therefore, under no circumstances may a nonexempt employee perform work of any nature for OSUIT at his/her normally assigned work station, or anywhere else on the employer's premises, in excess of his/her normal work schedule, unless such overtime work has been specifically authorized by the supervisor in advance.
- 3.05 The official work week of OSUIT shall be from 12:01 a.m. Saturday until 12:00 a.m. the following Saturday. Any variance from the official work week must be requested in writing and approved by the President of OSUIT or his/her delegated representative. Such approved variances shall be kept on file in the Office of Human Resources.
- 3.06 Overtime is calculated on the basis of the official work week and not on the official work day.

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UNIVERSITY PROCEDURES

4.01 Overtime Payment for Nonexempt Employees

- A. Nonexempt personnel shall receive overtime compensation at the rate of time and one-half (1.5) their regular rate of pay for all hours worked in excess of 40 hours in any work week. Each work week shall stand-alone and may not be averaged with another week.
- B. Payment for overtime should be made within the same pay period, if possible, or no later than the pay period following the one in which the overtime hours were worked, unless hours are accumulated as compensatory time.
- C. If compensation for overtime worked is accrued as compensatory time in lieu of actual payment, such compensatory time will be given according to the following:
 - 1. Nonexempt employees may not accrue more than 240 hours of compensatory time (160 hours of overtime work x 1.5 = 240 hours). When a nonexempt employee's compensatory time balance exceeds the accumulation limit of 240 hours, the employee must be paid by check or warrant, for any additional hours over the limit at time and one half (1.5) the employee's regular rate of pay.
 - 2. The use of accumulated compensatory time will be taken within a reasonable period when it will not be disruptive to unit operations. Upon reasonable notice, a unit leader may request that an employee use a portion of the accrued compensatory time when this is deemed advisable.
 - 3. At termination of employment, payment for accrued compensatory time shall be calculated at the employee's current regular rate of pay at that time.
 - 4. When an employee with a compensatory time balance transfers to a nonexempt position in another unit, accumulated compensatory time may be transferred to the new unit, taken as time off before the effective date of the transfer, paid as compensation, or a combination of these. The new unit may agree to accept the accumulated compensatory balance but request a budget transfer of funds from the former unit to reflect the financial liability of the transfer.
 - 5. When a nonexempt employee changes to exempt status, the accumulated compensatory balance must be eliminated by payment, taking the time off, or a combination of these. If the change involves moving to another unit, a cooperative decision by the two unit leaders may be necessary.
- D. The determination as to whether overtime hours are accrued as compensatory time or paid by check or warrant will be at the discretion of the unit leader. Determination will be made based upon three factors: (1) the employee's preference, (2) the operational needs of the unit, and (3) the fiscal constraints which might preclude payment for overtime by check.

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- E. A nonexempt employee may not "volunteer" to his/her own services of the same type he/she is employed to perform.

4.02 Overtime Payment for Exempt Employees

- A. Certain farm workers and recreation workers are exempt from the requirement for overtime compensation at the 1.5 rate. However, these farm and recreation workers shall be compensated hour-for-hour for all hours worked.
- B. Exempt employees may be compensated for work in excess of 40 in a work week if the individual has been approved by the appropriate administrator(s) for an "Overload or Special Payment" by completing the "Part-time Employment Agreement" form. Otherwise, exempt employees may not accumulate or be compensated for hours in excess of 40 in a work week. Exempt employees are expected to spend whatever hours are necessary over and above the basic work week in completing their regular work assignments.

4.03 Time Recordkeeping for Nonexempt Employees

- A. Accurate records of time worked shall be made and preserved for each nonexempt employee (including those paid on a monthly, rather than biweekly basis). The records shall include all hours worked, including any overtime hours worked during the work week covered by the time record. These time records shall be kept available for inspection for three years by the Human Resources Office.
- B. Time sheets must reflect accurate hours worked by the nonexempt employee, be signed or electronically recorded by the employee and verified by the employee's supervisor. Falsification of time records may result in termination.
- C. The work for which nonexempt employees must be paid (at the rate of at least the current minimum wage) and which must be counted in computing liability for weekly overtime pay is described as the time the employee is actually at work or required to be on duty.
- D. Approved rest periods as specified in Policy 3-002 are counted as working time, and included in time actually worked.
- E. Lectures, meetings, and training programs when attendance is required by the supervisor are counted as time worked.
- F. Travel time (time en-route) may be considered working time in accordance as set out below:
 - 1. Travel time from job site to job site during a workday, after reporting for the day's work.

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2. Travel time from home to work and return on a special one-day assignment in another city. Deduct the usual time from home to regular work site and return, and deduct the meal time(s).
 3. Travel time for out-of-town assignments of more than one day. The travel time that coincides with the employee's normal workday schedule is counted as time worked. This applies to any day of the week.
 4. Travel time for work performed while traveling. The time is counted as hours worked whether or not it occurs within the employee's normal working hours.
- G. Not counted as working time are bona fide meal periods, vacation, sick leave, other leave, holidays not worked, and certain travel time not listed in (C) above.
- H. The use of vacation, sick or other leave may not be used to exceed 40 hours in a work week for the purposes of accumulating compensatory time. In such cases, the number of hours recorded as taken for leave time, may be reduced.

4.04 Time Records for Exempt Employees

- A. Records of time may be kept for exempt employees to determine project assignment, time management or other reasons. However, in no case shall such records be used in the determination of actual payment of compensation.
- B. Exempt employees are required to submit an accurate record of leave taken to the unit administrator at the end of each month for accurate reporting. The reports of leave must be signed or electronically recorded by the employee. Failure to do so may result in termination.

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